



FY 2017 Budget Overview



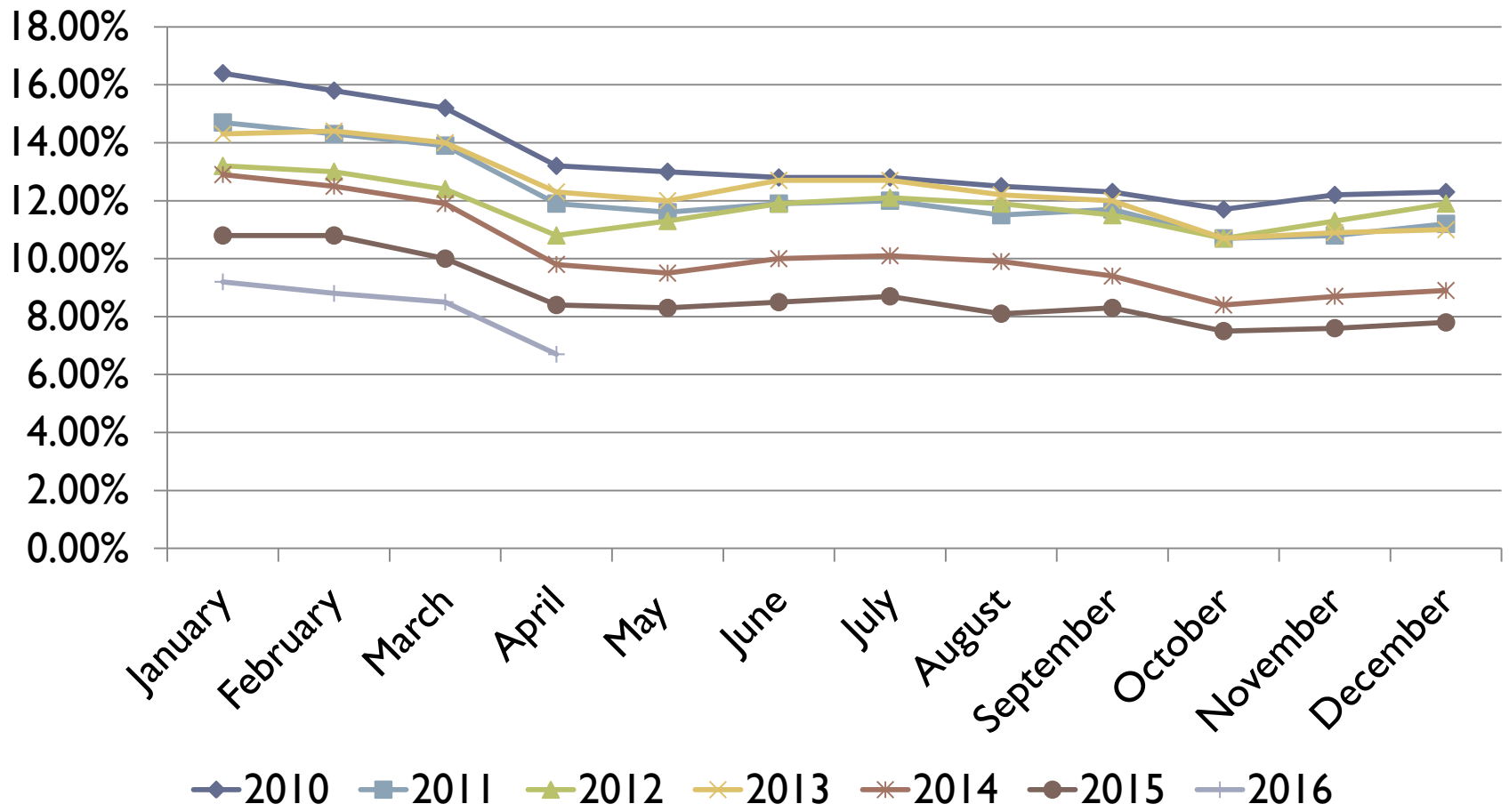
City Council
May 31, 2016

Background

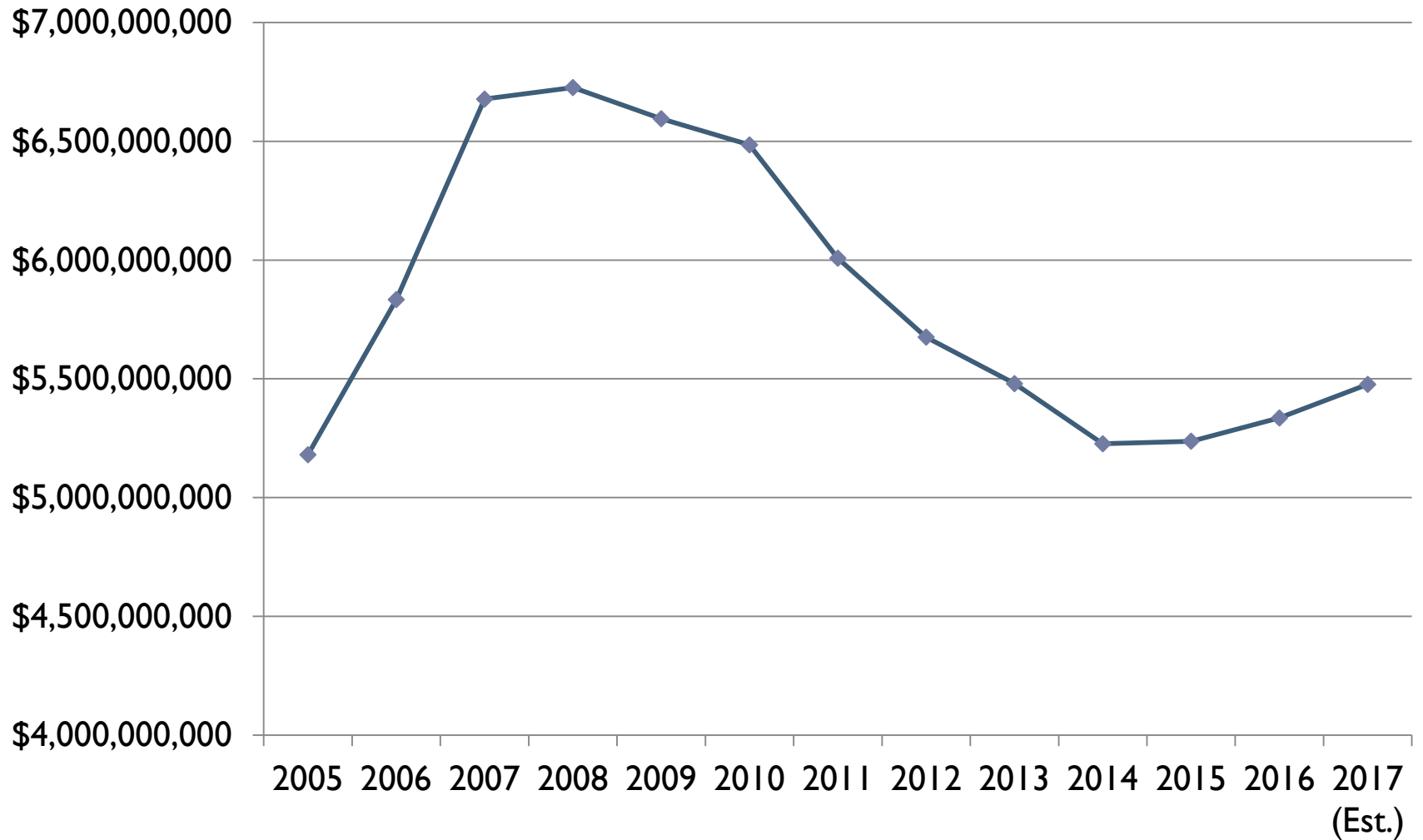
- ▶ FY 2009-2016: General Fund reduced by 136 positions (12.7%).
 - ▶ Unmet needs include core services and facilities maintenance.
 - ▶ FY 2017 budget emphasizes sustainability:
 - ▶ Fire Department budget placed on long-term path through funding and reduced SAFER profile.
 - ▶ Collective bargaining agreement and ambulance replacement program allows for EMS expansion.
 - ▶ Additional resources to address current and long-range planning issues.
 - ▶ Funding to address maintenance and equipment replacement needs.
 - ▶ Resources included to address recruitment and retention issues (Unit C study).
 - ▶ Revenue requirements conserve levy capacity.
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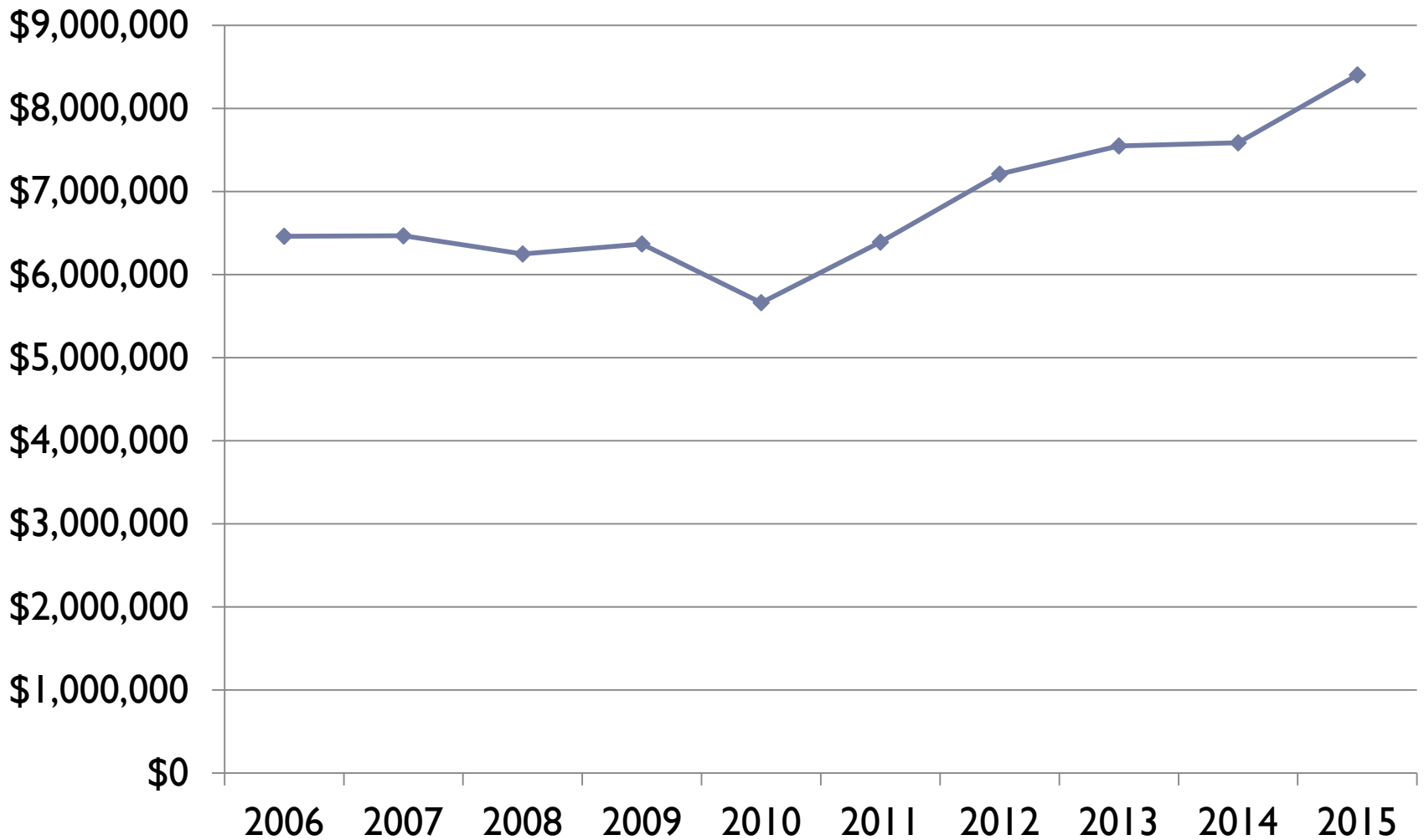
New Bedford Unemployment Rate



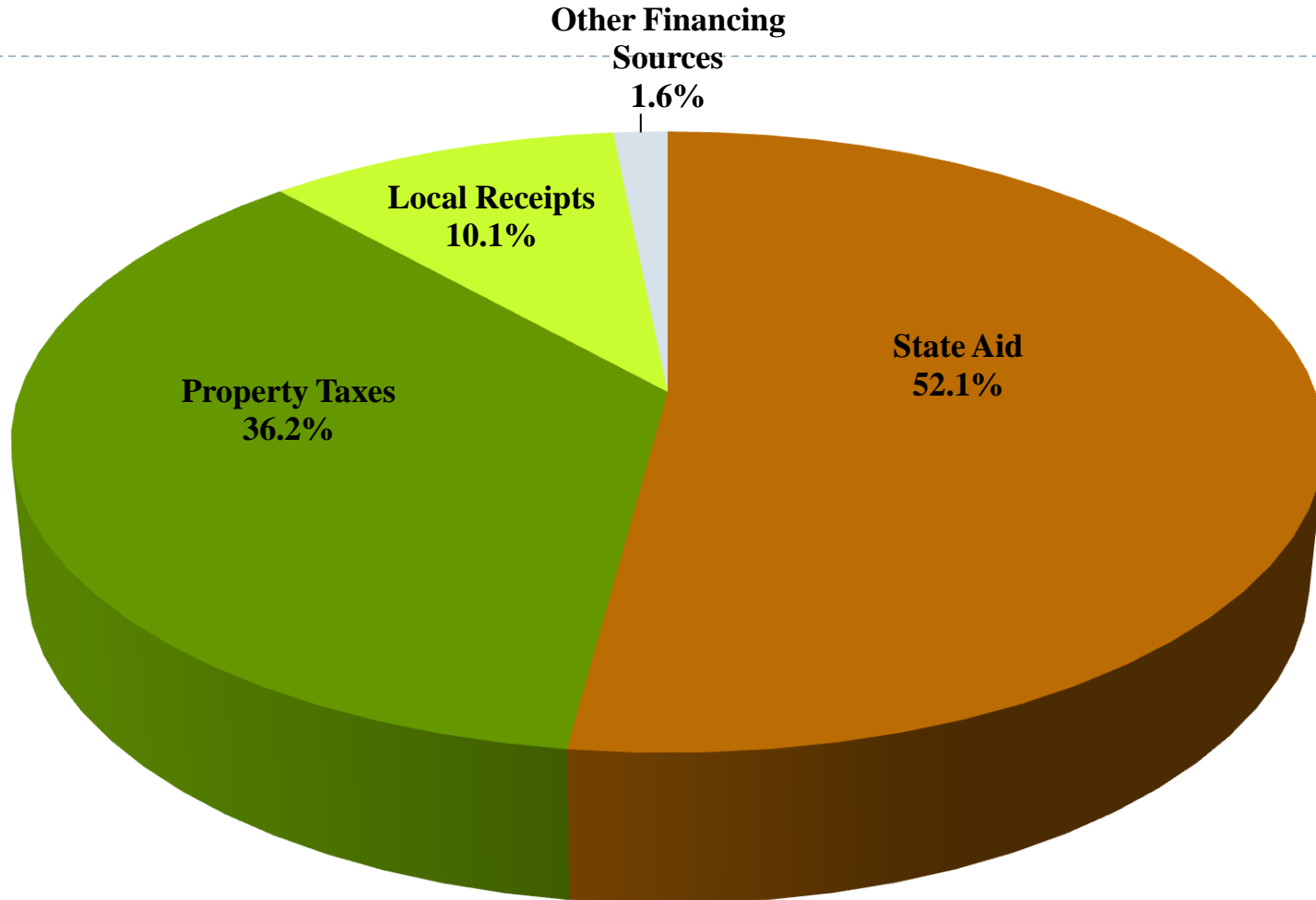
Total Assessed Valuation



Excise Tax Revenue



FY 2017 General Fund Revenue by Category



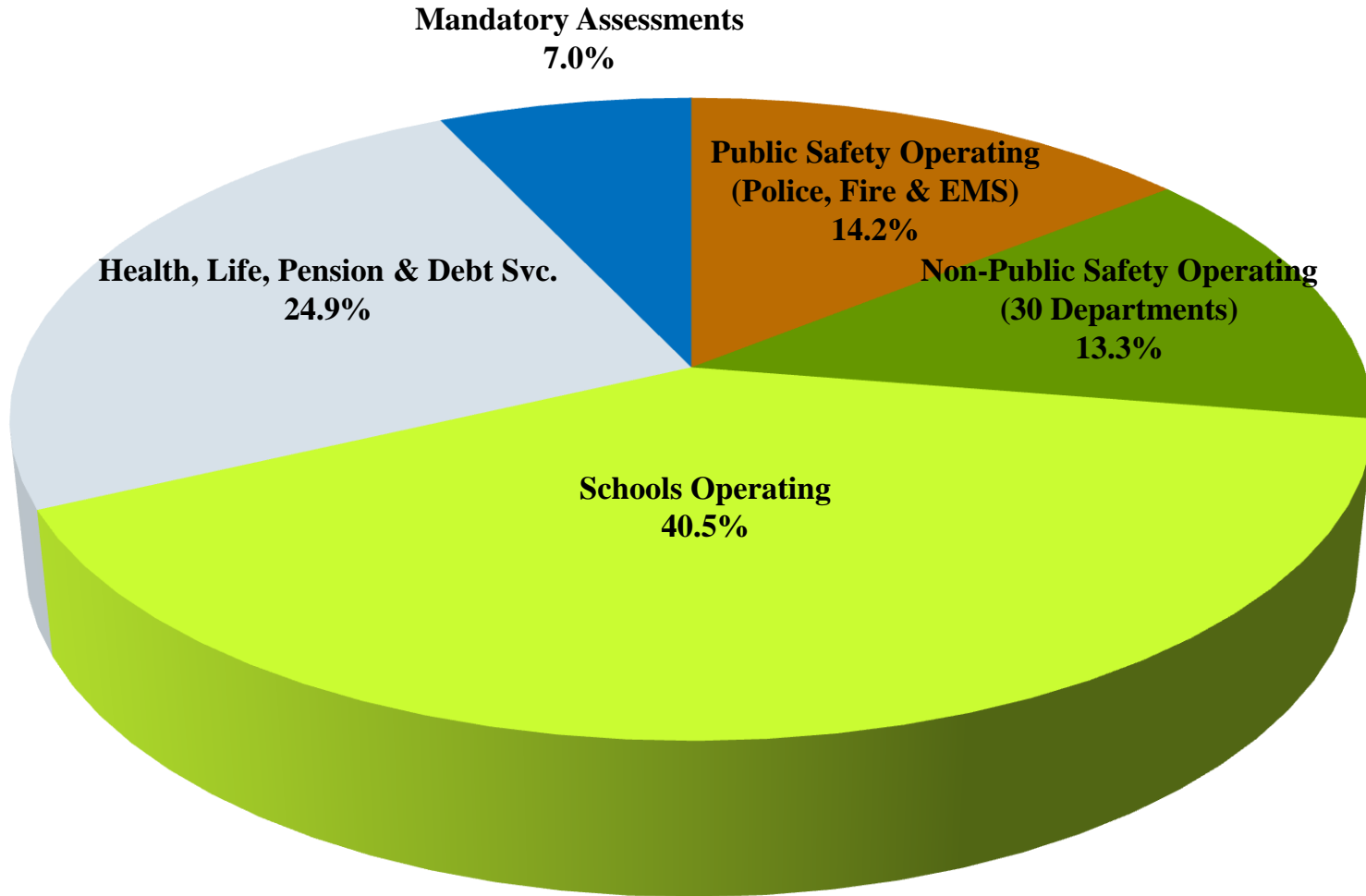
Total: \$312,670,472

FY 2017 Revenue Drivers

- ▶ State aid increases by \$9.1 million. Major highlights:
 - ▶ Chapter 70: \$7.3 million
 - ▶ Unrestricted General Government Assistance (Lottery): \$0.9 million
 - ▶ Charter School Reimbursement: \$0.9 million
 - ▶ Local aid estimates based on House budget. Senate Ways & Means budget increases charter school reimbursement by \$42,248.
- ▶ Property taxes increase by \$4.1 million:
 - ▶ Includes New Growth (\$1.2 million) and 2.5% (\$2.9 million).
- ▶ Local receipts beginning to show signs of economic recovery:
 - ▶ Excise taxes have grown by \$1.6 million and licenses & permits by \$0.3 million, since FY 2015.
 - ▶ Additional EMS revenue results from service expansion and increased call volume.
- ▶ Free cash availability is currently undetermined, but outlook is promising due to increased delinquent tax collections and overall performance.



FY 2017 General Fund Appropriations by Category



Total: \$312,516,322

FY 2017 Expenditure Drivers

- ▶ Public safety departments increase by \$3 million to incorporate 42 SAFER positions, right-size overtime, expand EMS, and fund lease payments and grant match requirements.
 - ▶ School department increases by \$7.7 million to meet Net School Spending requirements.
 - ▶ State assessments increase by \$1.9 million (Charter Schools - \$1.7 million, School Choice - \$0.2 million).
 - ▶ Increase to the City's pension assessment is netted out by \$1 million in savings to health insurance.
 - ▶ Debt service budget increases by \$0.4 million.
 - ▶ Restoration of Unit C steps, departments' personnel budgets, DPI operations require \$0.7 million.
 - ▶ Implementation of the Unit C study requires \$0.2 million.
 - ▶ Snow Removal increases by \$0.1 million to reflect historical activity.
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Net School Spending

Description	FY 2016	FY 2017	Difference
<u>Revenue</u>			
Chapter 70	\$125,128,363	\$132,385,625	\$7,257,262
Charters & School Choice	2,289,505	3,169,673	880,168
Other (E Rate, Ch. 71)	1,042,700	700,000	(342,700)
<u>Local Share</u>	<u>34,718,403</u>	<u>34,476,577</u>	<u>1,758,175</u>
Total Revenue:	\$163,178,971	\$172,731,875	\$9,552,905
<u>Expenditures</u>			
School Department Operating	\$118,800,000	\$126,500,000	\$7,700,000
Charters & School Choice	11,871,219	13,781,813	1,910,594
<u>Indirect Expenses</u>	<u>32,507,752</u>	<u>32,450,062</u>	<u>(57,689)</u>
Total Expenditures:	\$163,178,971	\$172,731,875	\$9,552,905

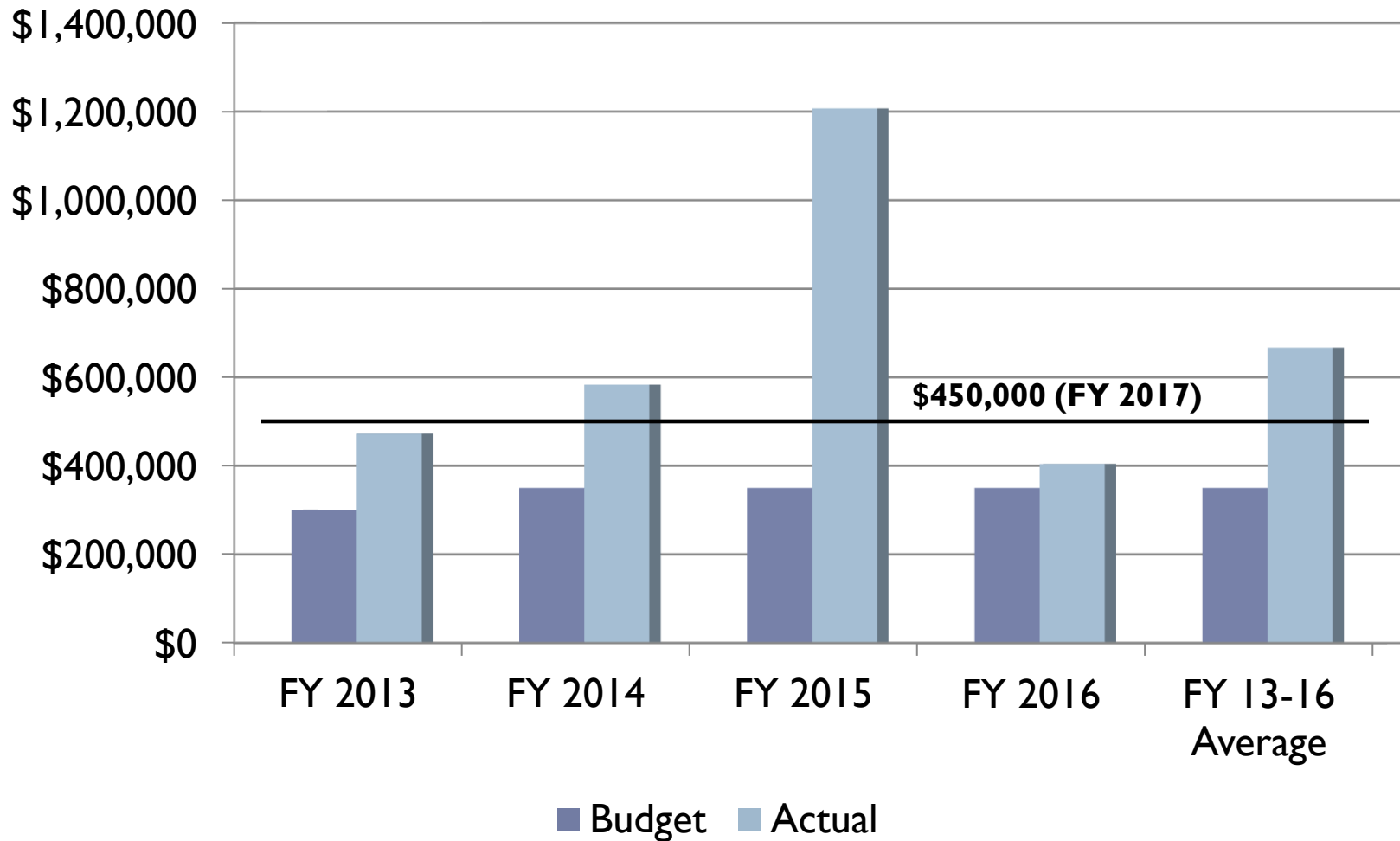


Budget Restorations

- ▶ The FY 2017 budget includes funding for FY 2016 reductions that could not be sustained:
 - ▶ Unit C Steps (FY 2016 & 2017): \$0.2 million
 - ▶ Personnel Budgets (Mayor, Solicitor and Personnel): \$0.3 million
 - ▶ DPI Operations (Nonpersonnel): \$0.2 million
- ▶ General Government Unclassified eliminates additional vacancy savings and includes funding for mandatory services (outside audit, FICA, solid waste contract, claims & judgments): \$0.7 million



Snow Removal: Budget vs. Actual



Position Increases (General Fund)

Department	Description	Expenditures	FTE
Assessors	PT Clerk to Full-Time (CPA)	\$12,152	0.50
EMS	Paramedics (Service Expansion, Fee-Offset) ¹	310,525	4.00
Health	Program Manager (Grants Administration)	41,900	1.00
Health	Code Inspector (Synthetic Marijuana)	14,831	0.50
Insp. Services	Wire Inspector	50,157	1.00
Planning & CD	Asst. City Planner & Staff Planners	150,929	3.00
DPI	Energy Manager (Grant Conversion)	18,000	1.00
Police	Public Information Officer	47,832	1.00
Purchasing	Buyer (Capital Program)	46,930	1.00
<u>Solicitor</u>	<u>PT Associate Solicitor to Full-Time Counsel</u>	<u>17,068</u>	<u>0.50</u>
Total:		\$710,324	13.50

¹EMS expansion includes additional funding for overtime and equipment.

Position Increases (Enterprise Funds)

Fund	Description	FTE
Wastewater	Code Enforcement Inspector & Project Coordinators	3.00
Water	Code Enforcement Inspector & Project Coordinators	3.00



Long-Term Issues

- ▶ Retiree health costs must be addressed.
 - ▶ OPEB trust provides basis for prefunding.
 - ▶ Health insurance benefit changes are likely.
- ▶ Pension and charter school assessments will continue to increase.
- ▶ New SAFER grant, if approved, will expire after FY 2018.
- ▶ CIP has successfully managed debt retirement to fund major maintenance, but large capital projects (schools, public safety center) will begin to impact debt service by FY 2019.
- ▶ City must remain committed to encouraging economic growth and managing expenditures to ensure continued sustainability.



City Council Budget Schedule

Date	Event
May 11, 2016	Mayor Presents FY 2017 Budget to City Council.
May 25	School Department
May 31	Budget Overview, Budget Hearing (Department Budgets)
June 6	Budget Hearing (Department Budgets)
June 8	Budget Hearing (Department Budgets)
June 20	Budget Adoption
July 1, 2016	FY 2017 Begins



FY 2017 Budget Overview

City Council
May 25, 2016